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Thailand

Exporter Guide

2010

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Report Highlights:

TH1005: This guide serves as a resource for U.S. companies seeking to do business in Thailand, and provides practical tips and information on local business practices, consumer preferences and trends, food standards and regulations, import and inspection procedures. This guide also identifies opportunities and entry approaches for the three major market sectors (food retail, food service, and food processing). Finally, this guide identifies the best high-value product prospects and key contacts.

Moreover, the younger population is very receptive to new food tastes that fit their westernized lifestyles.

- For 2011, the Tourism Authority of Thailand (TAT) will continue using the highly successful “Amazing Thailand” theme, which has gained worldwide recognition. The TAT targets 5.5 million international tourist arrivals for 2011 with approximate revenue of \$18.5 billion, an increase of 9 percent from last year .
- The hotel occupancy rate in Thailand for July-September 2010: Bangkok-48 percent, Chiang Mai-33 percent, Kanchanaburi-38 percent, Krabi-32 percent, Hua Hin-24 percent, Nakhon Ratchasima-24 percent, Nongkhai-56 percent, Pattaya-28 percent, Phuket-36 percent, Ubonratchathani-45 percent, and Udornthani-71 percent.
- Growth in the number of hotels, resorts and other tourist accommodations leads to greater demand for imported food and beverage items for food service, most high valued U.S. are exclusively consumed here.
- Consumption of imported food products peaks during New Year, Christmas, Chinese New Year and Thai New Year as gifts of food are given, especially consumer products such as coffee, tea, milk, snack food, jelly, jam, crackers, nuts, fruit juice, wine, whisky, health foods and fresh fruit.
- Continued growth in the number of health-conscious consumers has led to a higher demand for healthy and functional food and drinks, boosting the demand for U.S. health including organic products which are displayed in the aisles of major retailers and food ingredients for health products for Thai food manufacturers.
- Thai consumers view U.S.-origin foods and beverages as being high quality and consistent products, for instance: U.S. beef, frozen potatoes, dried and fresh fruit, nuts, fruit juice, jams, and other products are rated by local consumers as the best in the world. However, this perspective does not apply to all U.S. products, as some local consumers still prefer French and Australian wines over competing countries.
- Even though Thai consumers view U.S. products as high quality, they are very price conscious and susceptible to the current economic downturn. There is a high possibility that the low and middle-income consumers will shift to cheaper products of acceptable quality during these times.

Clearly, the Thai market offers many opportunities for U.S. exporters, but it is not without challenges. To put these opportunities in perspective, some U.S. “Advantages” and “Challenges” are shown below:

Advantages:

- Comparative advantages on the quality, affordability, reliability, and variety of U.S. agricultural products from fresh to processed food.
- Strong Baht versus weak U.S. Dollar.
- Several growing niche market opportunities for U.S. products such as organics, seafood, beef, turkey, processed meats, fruit juices, confectionary products, fruits, wines, spirits, bakery ingredients, and nutraceuticals .
- Growing consumer preferences for wholesome high quality products over price concerns of US-origin products.
- Proliferation of the retail industry. New retail outlets are expanding which allows greater product availability throughout Thailand on newly introduced products.
- Eating habits of Thai people are changing to include more imported food items such as temperate fruits and fruit juices, snack food, dried fruits and nuts, cheeses, seafood, wine, etc.

- The international food service industry keeps expanding gradually, both in numbers of companies entering the market and in numbers of outlets. Major international fast food companies are represented in Thailand, these include: McDonalds, Burger King, KFC, A&W, Pizza Hut, Auntie-Anne's, Baskin Robbins, Swensen's, Delifrance, Starbucks, Subway, Au Bon Pain, and Krispy Kreme. The rapid growth of the fast food sector has increased the activity of businesses that service or compete against these outlets such as bakery, dairy, meat and poultry establishments.
- A growing middle class that increasingly spends on imported food, estimated at 19 million in 2009.
- Growth in the tourism industry has resulted in a growing demand for U.S. beef, turkey, seafood, wine and seasonings which are used in American, French, Japanese and other international food restaurants.
- Government's policy to support the development of value-added production for local and foreign consumption is boosting the demand of food ingredients.
- Good relationships with foreign suppliers
- Thailand's geographical location and advanced infrastructure is a gateway to other Asian markets such as Cambodia, Philippines, Laos, and Indonesia.
- Increasing demand for using imported ingredients for innovative products.
- Growing number of companies paying attention to quality over cost for food ingredients.

Challenges:

- Local production is increasingly substituting traditional food imports. Snack foods, salad dressings, sauces, jams and other processed foods that are relatively inexpensive, but have high freight costs, are increasingly being produced locally.
- The local food manufacturers can rapidly improve or change the quality of products, tastes or packaging sizes according to changes in consumer behavior.
- U.S. products are not always price-competitive compared to imports from other Asian countries due to high tariffs and shipping costs.
- Bilateral free trade agreements between Thailand and other countries, particularly China, Australia, New Zealand, Japan and India has the effect of reducing import prices on products due to lower tariff rates, making U.S. products less competitive especially on high value consumer products such as meats, wine, spirits, cherries, peaches, plums, pears, frozen potatoes.
- Strong local brands of other foreign competitors or Thai companies in many food and beverage products e.g. Nestle, Singha Beer, Chang Beer, etc.
- Lack of continuous promotion of U.S. products in Thai market. Exporters need to support market promotion campaigns to attract, build and expand new markets, due to lack of importer/distributor and consumer awareness of U.S. products.
- Market penetration for imported products is concentrated in Bangkok and major tourist-destination provinces mostly.
- Thai government's policy and actions try to increase demands for Thai local products.
- Some food ingredients that used to be imported from the US are now produced locally or can be imported at lower cost from neighboring countries i.e. China.

Section II. Exporter Business Tips

The following includes observations collected from a variety of sources on best practices of exporting food products to Thailand. They are organized under three topics: communicating, meeting, and

exporting.

Communicating

- When greeting a Thai, use the word Khun (pronounced coon) in place of "Mr." or "Mrs." and the person's first name, which is the first name on his or her business card. For example, a Westerner with the name "Peter Moore" would be called "Khun Peter". Among Thais, family names are not usually used. Most Thais refer to each other by their first names only. Never refer to yourself with the word Khun; simply say your first name. Thais will probably address you by using "Mr." or "Mrs." and your first name.
- Introductions: foreign companies may write directly to Thai companies, although personal introductions will always enhance a firm's credibility and acceptance.
- Most Thais greet someone by bowing slightly towards them while bringing the hands pressed together in a praying position between the chest and forehead. The exact location of the hand depends on the level of respect being offered — the height and depth of a person's bow indicates social status. This gesture, known as a "wai", can be used when greeting someone on arrival and departure, and also when saying, "I am sorry" or "thank you."
- It would behoove foreign businesses to hire a representative or agent with local connections and good understanding on food and agriculture regulations and food import procedures. Networking with government officials and/or correct authorities can be the key to doing business successfully in Thailand.
- Keep in mind that in most of Asia, calendar dates are shown in the day/month/year format; ex. 05/12/10 means December 5, 2010. To avoid confusion, you may want to use the full date in correspondence.
- Have some fun by learning a few words of the local language, especially social greetings. This displays interest in the country.

Meetings

- Avoid business visits during the New Year Festivals (both the Chinese and Thai ones).
- Heavy traffic is the most common excuse for tardiness.
- Business cards are always exchanged at the first meeting. It is important to carry plenty; failure to offer a business card may make Thais suspicious of your position and authority. Be sure your card indicates your position and responsibility. And be sure to have your personal information in Thai on the back of the card. Don't throw or slide your card.
- Begin initial meetings with casual conversation on such topics as your travels, the beauties of Thailand, possibly questions about your counterpart's overseas experiences.
- Avoid topics relating to politics, the royal family, and religion. A little praise of the country and the Thai people goes a long way.
- Never touch or point with your feet. It is consider rude to cross your legs and point your feet at someone. Thais place a great importance on appearance and politeness.

Exporting

- It is essential to visit the market to conduct market research, especially for product testing, price comparisons, competitors, preferences, etc.,.
- Localize your products: adjusting the product for local tastes, verifying consumers' preferences and

setting your products' price to be very competitive.

- U.S. exporters should locate the best distribution channel (e.g. local importers, distributors, supermarkets, retailers, etc.) and establish a good relationship with them, as they are very useful in facilitating and promoting exports of U.S. consumer-ready foods to Thailand.
- Trade fair participation is another way to raise awareness of your product.
- In Thailand, some large manufacturers and retailers import raw materials or products directly while medium, small manufacturers, retailers, as well as hotels, prefer to purchase products from local importers.
- Successful U.S. exporters must provide reliable product availability, consistently quality, technical support, and accurately responding to inquiries within 24 hours as Australia and New Zealand are just a phone call away in a similar time zone.
- Understand that there is likely only one decision-maker in a company, and that person often is not the purchasing manager.
- Product Registration: Applications for product registration should be submitted to the Food Control Division, FDA. The approximate amount of time required for product registration, starting from submitting the application, is about one month. However, delays are usually caused by inaccurate or unacceptable details in the documents. There is little chance for licensing a product unless the manufacturer or exporter provides the necessary details required by the FDA. More information on food product registration in Thailand is available at [TH8116](#).
- The product should be packed and shipped for a tropical climate and have clear storage instructions.
- When introducing new products, several factors should be kept in mind. Middle to upper income Thai consumers have an aversion to low quality products and are attracted to branded products. They also tend to be image conscious. Existing brand loyalties are most likely to be broken by new products that are of good quality, well packaged, distributed, promoted and competitively priced.
- Be patient and think long term. It is not unusual to visit the market 2-3 times before details are finalized.
- Study the most recent [Food and Agriculture Import Regulations and Standards \(FAIRS\) Report](#) for Thailand. This concise document - covering food laws, labeling requirements, food additive regulations, pesticide and other contaminants, import procedure and other key regulations, requirements and specific standards-should be required reading for all exporters and is available on the internet at <http://www.fas.usda.gov>
- Contact the Foreign Agricultural Service in the U.S. Embassy, Bangkok (agbangkok@fas.usda.gov) with any questions on issues such as standards, tariffs, regulations, labeling, or other concerns. In addition, FAS office in Bangkok has prepared the monthly newsletter "SAWASDEE THAILAND" providing the latest information on the Thai agricultural situation and U.S. export opportunities to U.S. exporters. For subscription of this newsletter, please contact FAS office in Bangkok.

Section III. Market Sector Structure & Trends

The retail market accounts for more than 70 percent of total food spending, while consumers are allocating a lower proportion of their expenditures to food service (30 percent). This reflects a tendency among low and middle income Thais to cook at home rather than dine out, particularly in rural areas. However, eating out and patronizing restaurants is growing among the younger generation, as well as

working professionals, as it is more convenient and efficient than cooking at home. Some people rarely cook at home as they can buy foods, which are cheaper, and more varied than they could make themselves. Furthermore, the increasing number of food establishments in the market has also resulted in a considerable increase in food service.

Retail Sector

Thailand represents one of the most attractive food and drink markets in the Asia Pacific region. The country's retail sector is a vital component of the Thai economy and retail sales in Thailand are predicted to continue growing despite concerns surrounding the world economic downturn and domestic political uncertainty. Retail sales accounted for 16 percent of GDP and the industry accounted for 15 percent of total employment. According to the Thai Retailers Association, the retail market for 2011 will grow by 7 percent with a gradual improvement of consumer spending in 2011.

Thailand's retail sector has experienced an increase in new investments from both local and foreign players since 2003. Driven by hypermarkets and convenience stores, Thailand is the second most dynamic retail market in Asia after China. Nowadays the consumers have a variety of choices range from convenience stores to giant hypermarkets, which can be found on every corner of Bangkok and major cities. There are almost 10,000 convenience stores nationwide and 15 percent of packaged FMCG (fast moving consumer goods) sales go through this channel. At the end of 2009, there are about 9,918 convenience stores in Thailand, in which 7-Eleven is account for 53 percent. As of August 2010, Thailand had 5,595 7-Eleven stores and is now the world's third largest 7-Eleven network after only Japan and US. CP All Plc, the local operator of 7-Eleven, plans to open 450-500 new outlets to reach 6,250 outlets within next year. Over 90 percent of urban Thai shoppers use convenience stores and they visit them regularly, an average of 13 times a month. It is reported that an average of 6 million customers visit convenience stores each day. Thai convenience retail is enormously competitive; CP All's 7-Eleven chain leading the group, following by Tesco Lotus Express and FamilyMart. The convenience stores are now focusing on increasing food portions and adding new food product lines to reach 70 percent of total assortments.

Multinational retailers have dominated Thailand's modern food retail market with aggressive store expansion since 2000, especially in the hypermarket segment. The majority of these investments have come from the leading international retail chains: UK-based Tesco with its Tesco Lotus stores, Big C Supercenter of Casino Guichard-Perrachon SA of France, Carrefour of France, and Netherlands-based Makro. In November 2010, Big C Super Center acquired the business operations of the Thailand Carrefour Group, a French-based retailer of groceries and consumer goods, for a value of 35.5 billion baht (\$1.2 billion). The takeover would immediately expand the number of Big C's outlets from 69 to 111 to allow BigC to cover all customer bases in both Bangkok and the provinces. As a result of the acquisition, the intense competition is foreseen as there will be only two hypermarkets left, which are BigC and Tesco Lotus dominating the country's hypermarket segment. The hypermarkets offer a wide range of fresh food and packaged food and beverages, which generally account for 50-60% of their total assortments. About 90 percent of urban Thai shoppers use hypermarkets at least once a week. The average Thai consumer spent is about \$150 per month on retail products, of which 49 percent was spent on fresh foods.

Supermarket business in Thailand is driven by six major players, which are Central Food Retail (Central

Food Hall and Tops Marketplace), The Mall Group (Home Fresh Mart and Gourmet Market), Foodland Supermarket, Villa Market, MaxValu Supermarket, and UFM Fuji. Central Food Retail dominated this segment with 124 outlets nationwide. The competitive supermarket segment is mainly concentrated in Bangkok where higher levels of consumer income and sophisticated customer base support this retail format. These supermarkets have more of a medium to upper market positioning, offering a wide range of high quality and broader assortment of local and imported processed food, fruits and vegetables, meat and seafood, and beverages. These hypermarkets and supermarkets represent excellent opportunities for U.S. exporters of consumer food items. Intense competition in the retail market, particularly from these large-scale modern companies that use price strategies and loan extensions to low-income consumers led to the closure of many traditional stores. As a result, the retail market structure continues to evolve, with modern retailers such as hypermarkets, supermarkets and convenience stores gaining market share while traditional retailers gradually decline. Modern retailing accounts for approximately 70 percent of total retail sales.

Since the beginning of 2003, hypermarket expansion in Bangkok has been experiencing decelerating growth, given the fewer new hypermarket construction projects underway. This is due to a limited number of good locations in urban areas, space limitations under the Retail Business Act (RBA), and changes in consumer lifestyles. Therefore, there have been some changes in store formats since 2007. The number of stores with complex formats should outpace the old style store format, namely stand-alone stores (no theater, restaurants, or entertainment places). It is projected that retail business competition in the future will be more in the form of innovative channels to meet consumer demand; branches to cover more areas, and searching for newer and better products to offer to customers. In addition, the flow of local shoppers has been diverted from wet markets and grocery stores to hypermarkets and supermarkets. Therefore, supermarkets and hypermarkets are the best method of entry for U.S. exporters to enter Thailand's retail food market and offer a variety of quality products at competitive prices to satisfy Thai customers' desires.

The main factors U.S. exporters should consider for U.S. food products are pricing, shelf life of the product, and consumer preferences. The traditional 'Mom and Pop' stores and wet markets in Thailand are not the ideal entry points for U.S. exporters as price sensitivity and preferences for traditional diets by consumers in this sector are not a good match. U.S. exporters should be aware that many U.S. branded food products such as snack foods, candy, chocolate and breakfast cereals are present in the market as locally or regionally produced food products. The ASEAN Free Trade Area (AFTA) is one of the major factors contributing to shift in manufacturing bases. As the hypermarket business in Thailand is in effect an oligopoly, dominated by a few large companies, they normally have high bargaining power with suppliers.

The slowdown in the local economy led modern retailers to increase their focus on expanding their house brand product offerings as well as offering value for money promotions and discounts. Most supermarkets and hypermarkets in Thailand have their own house brands for ready-to-eat foods, ready-to-cook prepared foods, home-made bakery items, sausages, water, cooking oil, rice, sauces, dairy products and fruit juice. For example, Central Food Retail has 3 brands of private labels, namely "My Choice" for ready-to-eat products; "Cooking for Fun" for specialty products such as olive oil, pasta, and rice; and "Tops" brand for premium consumer products. The margins on house-brand products for the retailers are double that of branded products. House branded items for some particular products have grown in popularity due to their cheaper price, especially for somewhat generic food items, such as

begins with importers and goes to distributors, then to a central warehouse or direct to retail outlets. The foodstuffs will be kept either in the importers' warehouse, distributors' warehouse, or a central warehouse before delivery. Some supermarkets, superstores and hypermarkets operated by multinational operators import food products directly and keep them at their own distribution centers before delivery to each outlet.

Entry Strategy - Convenience Stores, Gas Marts & Kiosks

The best method for U.S. exporters to enter this market segment is to contact the head office of convenience stores, gas marts and kiosks. U.S. exporters should be aware of the listing fee or listing allowance that may be charged by large convenience store chains. The fee will be charged in accordance with a formula based on the number of outlets and SKU.

U.S. branded foods sold in these stores are generally produced in Thailand or neighboring Southeast Asian countries. These products include snack foods, chocolates, cookies, candies, gums and breakfast cereal. Distributors often import U.S. branded foods from neighboring countries rather than from the United States because of the low cost and AFTA preferential tariffs. Sales trends of imported food in C-stores versus locally produced goods will decrease gradually from five to zero percent, in line with the purchasing power of the target group. U.S. products will be well received by Thai consumers in C-stores if price and quality is similar to what local suppliers offer.

Distribution Channels - Convenience Stores, Gas Marts & Kiosks

A common distribution channel for convenience stores, gas marts and kiosks originates from U.S. exporters to U.S. consolidators and traders to Thai distributors to C-stores, gas marts and kiosk distribution centers. Some Thai distributors distribute foodstuffs directly to C-stores, gas marts and kiosk outlets. Most of the foodstuffs that are distributed directly to the outlets are fresh, including baked goods and dairy products. The flow pattern of different retailers varies depending on the sales volume and number of outlets. A key ingredient in the success of the larger retailers is control of their own distribution centers.

Entry Strategy - Traditional Markets

For U.S. exporters, Thai traditional wet markets are more difficult to enter considering the expected purchase price of products, low consumer purchasing power, the size and traditional distribution channels of the outlets, and consumer preference for traditional Thai and Chinese food.

Distribution Channels - Traditional Markets

Usually local manufacturers will have their own distributors to distribute their products. Some local producers are under supervision of a Royal Project in which assigned distributors manage the distribution.

Best Market Prospects

The best market prospects for U.S. suppliers include breakfast cereal, frozen seafood (scallop, lobster, fish, mussel), fruit juices, instant and ground coffee, jam, nuts (walnuts, hazel nuts, macadamia nuts), canned soup and fruits, candy, chocolate, chocolate milk mix, dairy products (cheese, cheese spread, cream cheese, whipped cream, cheese sticks, cheese dip and ice-cream), dips, fresh fruits (cherries, grapes, peach, plums, nectarine, berries, grapefruit, apples), frozen pizza, frozen peas, pie fillings, frozen processed turkey, dried fruits, red meat, American spices, seasonings and sauces, snack foods, syrup, vinegar, wine, spirits and pet food.

The best selling U.S. food products are fresh fruits (cherries, grapes, and WA apples), frozen French fries, scallops, snack foods, breakfast cereal, wine, dried fruits, and pet foods. Products that are not currently present in the market in significant quantities but have good sales potential are American bourbon and whisky, seafood including Alaska King crab legs, halibut and other fish, fruit juices, biscuits, candy, peaches, pears, plums, nectarines, chocolate milk mix, cheese, dip sauce, other cooking products.

HRI Food Service Sector

Thailand's large HRI food service sector comprises approximately 150,000 outlets including some 100,000 restaurants and more than 5,000 hotels and resorts. Hotels, resorts, restaurants and institutional contracts are the heavy users of imported food for food preparation and ready-to-eat meals at restaurants, catering services for airlines and cruise lines. This is because this sector attracts middle to higher income Thais, Thai corporate businessmen, resident expatriates, and tourists. Consumer expenditure on hotels and catering per capita was \$164, a 4.65 percent decreased from the previous year. The international tourist arrivals to Thailand during January-September, 2010 totaled 11.2 million, up 13.3 percent, and the average hotel occupancy rate was at 49 percent, increasing from 48 percent in previous year. Thailand's tourism is an important component of the service sector and generated approximately \$16 billion revenue in 2009. Given that Thailand's HRI food service sector is inevitably reliant on the tourism industry; more tourist arrivals should serve as a benefit to Thailand HRI sector growth. In addition, Thailand's high tourism levels, healthy economic growth forecast and strong per capita food consumption growth will continue to fuel the growth of the country's HRI food service sector.

Food and beverage sales in hotels and resorts account for about 30 percent of total revenues. The average rate of imported food versus locally produced food in the entire HRI sector is 30 percent; the U.S. has approximately 15-20 percent of the imported product share. U.S. beef, seafood (lobster, Alaska king crab legs, scallops, etc.), wines, frozen potatoes, seasonings, etc are well known in the hotel/restaurant trade, and with airline catering companies. Thai Airways International uses 30-40 percent imported food in their in-flight catering service.

Other than a plenty of independently local owned restaurants, the establishment of chain restaurants such as Oishi, Fuji, Zen, S&P, Black Canyon, MK Suki, and A&W Restaurant are also available in Bangkok and major tourist destinations in Thailand. Sidewalk restaurants have been replaced by food centers and food courts, which are more hygienic and more convenient. Food centers and food courts can be seen in most department stores and office buildings. Fast food and chain restaurants have boomed for the last few years and are expected to continue expanding for the next few years. Hot and cold drinks including coffee and ready-to-eat foods are served in convenience stores and stand alone

ready-to-eat foods, and processed fruits and vegetables. There are over 10,000 food and beverage processing factories consisting of small, medium and large-scale plants. Most of these factories, which are small to medium size, serve mostly the domestic market, while medium to large food processors tend to produce higher-valued products for the domestic and export markets.

Thailand's food processing sector is heavily export-oriented with more than 50 percent of production sold outside the country. Despite the global economic situation, Thai food manufacturers will still seek high-quality food ingredients at reasonable prices. The US is considered to be a world leader in food ingredient technology and one of the major food ingredient suppliers to the world. U.S. suppliers should focus their attention on new functional food ingredients, flavors and other ingredients for promoting health and wellness benefits in foods.

In 2010 (January-November), Thailand's food ingredient imports exceeded \$1.4 billion, a 35 percent increase from the previous year. Although domestic ingredients hold the greatest share of the market, these items tend to be low-value, high-volume raw and semi-processed products such as grains, vegetable oils, and starches. High-value and more technology-based ingredients are generally not available locally and must be imported. The food ingredient market continues to grow due to increases in population and in purchasing power, increases in the number of dual income families; and new product development.

The following are some general characteristics of the Thai food processing industry:

- Thailand has earned foreign currency from exports of processed foods since 1970. Thereafter, Thai agriculture successfully diversified into high-value products, livestock and fisheries and is among the world's leading exporters of several commodities.
- The Thai market for raw materials is growing. Raw inputs for the food processing sector are primarily supplied by Thai companies. Nevertheless, the import market for these ingredients has been growing continuously, reaching 1.4 billion in 2010. The growth in demand for raw materials is due to increased localized production of processed products that are in high demand and are expensive to ship long distances.
- An increasing shift in using imported ingredients for new products.
- A move toward higher quality ingredients. Some companies are moving towards higher-quality ingredients despite higher cost.
- Major food exporters have expanded their production capacity through new machinery purchases or upgrades to meet demand for a variety of products in the major markets and to satisfy international quality standards including HACCP and ISO.

Reflecting rising and income levels in Thailand, demand for food products is shifting from unprocessed foods from fresh markets to a wider array of processed foods available in large supermarkets. As a result, the need for processed versions of Thai cuisine is growing steadily. The same applies to Western processed food products as they are perceived as being higher quality than domestically processed food. With rising demand for processed foods, Thai food processors must import large quantities of food ingredients that are not locally available.

Although domestic ingredients hold the largest share of the market, at the moment, these items tend to be low value, high volume, raw and semi-processed products such as grains, vegetable oils, and starches. Higher value and further processed products are generally not available locally and must be

imported. Expected expansion in the food processing industry should provide many export opportunities for U.S. food ingredient exporters in the medium- and long-term as this market segment continues to grow.

Entry Strategy

The most effective way for U.S. food ingredients exporters to enter the Thai market is either appoint a reputable and experienced local importer/distributor or contact directly to the food manufacturers. Local firms usually have a good understanding of the market and know how to make direct contact with food manufacturers, government officials and other key contacts. A good local importer/distributor can also provide valuable support in arranging meetings with the manufacturers especially their R&D and manufacturing divisions, translating technical information, and help arrange other marketing and sales activities. Trade shows are also highly effective ways to promote new food ingredient products. Food Ingredients Asia, a well attended food trade show, will be held in Thailand again in 2011.

U.S. market development cooperators are also active in Thailand and other Southeast Asia countries. These groups offer many marketing opportunities for U.S. firms, including trade team visits, technical seminars, local promotional events, and other activities. Cooperators with active programs in Thailand and other regional countries include the U.S. Grains Council, U.S. Meat Export Federation, U.S. Poultry & Egg Export Council, U.S. Dry Pea and Lentil Council, U.S. Dairy Export Council, California Raisin Administrative Committee, U.S. Wheat Association, American Soybean Association, U.S. Potato Board, various U.S. fruit and nut associations, as well as several state and regional groups such as WUSATA, SUSTA, and Food Export Association of the Midwest USA.

Best Market Prospects

The best market prospects for food processing include dried fruit and nuts, wheat, starches, dehydrated potatoes, soybeans, food additives, colorings, flavorings, starch, meat, whey, milk powder, juice concentrates and other baking ingredients. Products that can substitute for traditional ingredients, such as preservative-free ingredients that provide extended shelf life and nutrient/functional ingredients have strong potential in Thailand. Thai consumers prefer new foods that are flavor-intensive, palate-pleasing and healthy. Food ingredients that maximize flavor and healthful benefits will continue to experience growth in Thailand.

Distribution System

Food processing generally is distributed through two channels. The first is through traditional importers, who re-sell to local distributors or distribute through their own marketing and delivery network to end-users. As Thailand's food processing industry has grown and become more sophisticated over the past few decades, food manufacturers are increasingly importing directly from foreign supplies. This is especially true for large, integrated food processors, which are well oriented for international trade.

Section IV. Tariff

	PRODUCT	HARMONIZED	QUOTA	TARIFF RATE
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Section V. Key Contacts & Further Information

A) U.S. Department of Agriculture, Foreign Agricultural Service

The Foreign Agricultural Service in Bangkok maintains current information covering food and agricultural import opportunities in Thailand and would be pleased to assist in facilitating U.S. exports and entry to the Thai market. Questions or comments regarding this report should be directed to following:

Local:

Office of Agricultural Affairs
U.S. Embassy
120-122 Wireless Road
Bangkok 10330 Thailand
Tel: 662-205-5106
Fax: 662-255-2907
E-mail: agbangkok@fas.usda.gov
Website: www.fas.usda.gov

U.S. Mail:

Office of Agricultural Affairs
U.S. Embassy, Box 41
APO AP 96546

Key Contact(s):

John Wade, Agricultural Counselor
Orestes Vasquez, Agricultural Attaché

B) Cooperators

Feel free to contact the U.S. non-profit organizations, representing U.S. agricultural products by conducting market development activities to promote various U.S. commodities and high value products in Thailand and other Asian markets. Please note: some of these organizations are located in Thailand and others in neighboring countries such as Singapore have regional responsibilities.

American Soybean Association
Thailand Representative
59/43 Baan Klangmuang
Ladprao 71 Road
Bangkok 10230
Tel. 662-539-5373, 539-5332
Fax 662-539-5256
E-mail: asathai@loxinfo.co.th

California Table Grape Commission
California Tree Fruit Agreement
48 Toh Guan Road East
#02-129 Enterprise Hub
Singapore 608586
Tel: 65-6515-6113
Fax: 65-6278-4372
E-mail: Richelieu@lieumktg.com.sg

Cotton Council International (Thailand)
2 Soi Farm Wattana,
Phrakanong, Klongtoey,
Bangkok, 10110 Thailand
Tel: 662-253-8604
Fax: 662-381-1437
Email: kraipob@pangsapa.com

Cotton Incorporated
2 Soi Farm Wattana,
Phrakanong, Klongtoey,
Bangkok, 10110 Thailand
Tel: 6689-030-3380
Fax: 662-381-1437
Email: pailin@pangsapa.com

Northwest Cherry Board
208 Ram-Inthra Soi 19, Ram-Inthra Road
Bankhen, Anusao-waree
Bangkok 10220, Thailand
Tel. 662-521-2170
Fax. 662-970-8208
E-mail: pt@waapples.com

Raisin Administrative Committee
48 Toh Guan Road East
#02-129 Enterprise Hub
Singapore 608586
Tel: 65-6515-6113
Fax: 65-6278-4372
E-mail: Richelieu@lieumktg.com.sg

U.S. Dairy Export Council
Southeast Asian Representative Office
P.O. Box 1492

Nana Post Office
Bangkok 10112
Tel. 662-254-3768
Fax 662-254-3769
E-mail: usdec@pacrimassociates.com

U.S. Dry Pea & Lentil Council
No. 416, 4 th Fl., Ambassador's Court
76/1 Soi Langsuan
Ploenchit Road
Bangkok 10330
Tel. 662-251-8655/6, 251-8669, 251-8772
Fax 662-251-0390
E-mail: agsource@loxinfo.co.th

U.S. Meat Export Federation
627A Aljunied Road
04-04 Biztech Centre
Singapore 389842
Tel: 656-733-4255-6
Fax: 656-732-1977
E-mail: singapore@usmef.com.sg

USA Poultry & Egg Export Council
#15-04 Liat Towers
541, Orchard Road
Singapore 238881
Tel: 656-737-1726
Fax: 656-737-1727
E-mail: usapeec_sing@pacific.net.sg

U.S. Wheat Associates
#15-02 Liat Towers
541 Orchard Road
Singapore 238881
Tel: 656-737-4311
Fax: 656-733-9359
E-mail: msamson@uswheat.org

United States Potato Board
2 Soi Farm Wattana,
Phrakanong, Klongtoey,
Bangkok, 10110 Thailand
Tel: 662-253-8604

Fax: 662-381-1437

Email: kraipob@pangsapa.com

Washington Apple Commission
208 Ram-Inthra Soi 19, Ram-Inthra Road
Bankhen, Anusao-waree
Bangkok 10220, Thailand
Tel. 662-521-2170
Fax. 662-970-8208
E-mail: pt@waapples.com

Wine Institute of California
48 Toh Guan Road East
#02-129 Enterprise Hub
Singapore 608586
Tel: 65 6515 6113
Fax: 65 6278 4372
E-mail: Richelieu@lieumktg.com.sg

C) American Chamber of Commerce in Thailand

The American Chamber of Commerce in Thailand serves as point of contact and exchange for members of the American business community; it also serves as a valuable resource of information and interaction for members. The Chamber has an active Food & Agribusiness Committee, which represents Chamber member firms on issues concerning food, agriculture, and agribusiness. The Committee also promotes a dialogue on these issues between the American food and agricultural community and Thai decision-makers in the public and private sectors.

7th Fl., GPF Witthayu
Tower A, 93/1 Wireless Road,
Lumpini, Pathumwan,
Bangkok 10330
Tel: 662-254-1041
Fax: 662-251-1605
E-mail: info@amchamthailand.com
Key Contact(s): Judy Benn, Executive Director

D) Thai Government

These are the major regulatory government agencies that deal with food and agricultural products.

Food & Drug Administration, Ministry of Public Health

Import License, Product Registration & Label Approval
Food Control Division

Tivanont Road, Muang
Nonthaburi 11000
Tel: 662-590-7178
Fax: 662-591-8460
E-mail : food@fda.moph.go.th

Food Products from Animals
Tivanont Road, Muang
Nonthaburi 11000
Tel: 662-590-7207/8
E-mail: food@fda.moph.go.th

Food Products from Plants
Tivanont Road, Muang
Nonthaburi 11000
Tel: 662-590-7023
E-mail: food@fda.moph.go.th

Chemicals and Food Additives
Tivanont Road, Muang
Nonthaburi 11000
Tel: 662-590-7209, 590-7219
E-mail: food@fda.moph.go.th

Food for Special Purposes and Food Supplement
Tivanont Road, Muang
Nonthaburi 11000
Tel: 662-590-7205, 590-7098
E-mail: food@fda.moph.go.th

Other Food Products
Tivanont Road, Muang
Nonthaburi 11000
Tel: 662-590-7220
E-mail: food@fda.moph.go.th

Food Inspection
Inspection Division
Tivanont Road, Muang
Nonthaburi 11000
Tel. 662-590-7323
Fax 662-591-8477
E-mail: food@fda.moph.go.th

Department of Medical Sciences
Ministry of Public Health
Soi Bumratnaradul Hospital
Muang, Nonthaburi 11000
Tel: 662-951-0000 Ext. 99561
Fax: 662-951-1023
Email: <mailto:wanida.b@dmsc.mail.go.th>

Department of Foreign Trade, Ministry of Commerce

Import Control
Commodity Trade Division
Sanam Bin Nam-Nonthaburi Road
Nonthaburi 11000
Tel: 662-547-4737
E- mail: cdtdft@moc.go.th

Commodity Division
Sanam Bin Nam-Nonthaburi Road
Nonthaburi 11000
Tel: 662-547-4801

Grain Division
Sanam Bin Nam-Nonthaburi Road
Nonthaburi 11000
Tel. 662-547-4820

Department of Livestock, Ministry of Agriculture and Cooperatives

Animal Quarantine Inspection Services
Phyathai Road
Bangkok 10400
Tel. 662-653-4444 Ext. 4110
Fax 662-653-4865
E-mail: dcontrol8@dld.go.th

Bangkok Seaport Animal Quarantine Station
Klong Toey Port
Bangkok 10110
Tel. 662-249-2112
Fax 662-249-4358

Bangkok Airport Animal Quarantine Station
Suvarnabhumi Airport

Bangkok
Tel: 662-134-0731-2
Fax: 662-134-0733

Department of Fisheries, Ministry of Agriculture & Cooperatives
Marine Animals
Chief of Fisheries Administration & Management Section
Fisheries Resources Conservation Division
Kasetsart University, Chatuchak
Bangkok 10900
Tel: 662-562-0600/15 Ext 3509
Fax: 662-562-0528
E-mail: fishtradeins@dof.thaigov.net

Department of Agriculture, Ministry of Agriculture and Cooperatives
Plant Quarantine Subdivision
Agricultural Regulatory Division
Chatuchak, Bangkok 10900
Tel: 662-940-6573, 940-6670 Ext. 108
Fax: 662-579-4129
E-mail: ard@doa.go.th

Excise Department, Ministry of Finance
License of Alcoholic Beverages
License Subdivision
Bureau of Tax Administration 1
Excise Department
1488 Nakhon Chaisri Road
Bangkok 10300
Tel: 662-243-0525

Department of Intellectual Property, Ministry of Commerce
Application for Patent and Trademark
Services and Information Division
Department of Intellectual Property
338 Rachadapisek Road
Huay Kwang, Bangkok 10320
Tel: 662-275-4854
Fax: 662-276-0061

Customs Department, Ministry of Finance
Import Formalities Division
Klong Toey, Bangkok 10110
Tel: 662-249-4266, 671-5250

